

Review Requirements Checklist
RATE REVISIONS

REVIEW REQUIREMENTS	REFERENCE	COMMENTS
General Filing Requirements		
	14 VAC 5-100-40	A letter of transmittal must be submitted in duplicate with each filing.
	14 VAC 5-100-40 6	At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a "stamped" copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to, State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	14 VAC 5-100-70	When an insurer submits a change of Individual accident and sickness premium rates previously filed with the Bureau of Insurance, the following information must be provided. 1. That the filing is an increase, decrease, or revision of former rate filings and the percentage amounts of such changes. 2. That the claim/earned premium loss ratio and other bases for such increase, decrease, or revision of premium rates. An actuarial memorandum and other relevant material should be attached to the letter of transmittal.
	Administrative Letter 1983-7	The transmittal letter must include the name and NAIC number of the company for which the filing is made.
All Accident and Sickness Forms	14 VAC 5-130-70 A	New Rate Sheet
	14 VAC 5-130-70 B	Actuarial Memorandum
	14 VAC 5-130-70 B 1	A description of the type of policy, including benefits, renewability, and issue age limits.
	14 VAC 5-130-70 2	The scope and reason for the rate revision.
	14 VAC 5-130-70 3	A comparison of the revised premiums with the current premium scale.
	14 VAC 5-130-70 4	A statement of whether the revision applies only to new business, only to in-force business, or to both.
	14 VAC 5-130-70 5	The estimated average annual premium per policy, before and after the proposed rate increase.
	14 VAC 5-130-70 6	Provide Earned Premiums, paid claims, incurred claims and loss from inception through most recent quarter. Virginia and national experience should be shown separately. Missing experience should be estimated with all estimation assumptions and methodologies provided in detail.
	14 VAC 5-130-70 7	Details and dates of all past rate increases on this form.
	14 VAC 5-130-70 8	A description of how revised rates were determined, including the general description and source of each assumption used. For expenses, include percent of premium, dollars per policy, and/or dollars per unit of benefit.
	14 VAC 5-130-70 9	If the rate revision applies to new business, the anticipated loss ratio and a description of how it was calculated.

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	14 VAC 5-130-70 10	If the rate revision applies to in-force business provide (a) the anticipated future loss ratio and a description of how it was calculated and (b) the estimated cumulative loss ratio, past and future and a description of how it was calculated.
	14 VAC 5-130-70 11	Minimum loss ratio presumed reasonable in 14 VAC 5-130-60 C.
	14 VAC 5-130-70 12	If 9, 10a, or 10b is less than 11, supporting documentation for the use of such premiums.
	14 VAC 5-130-70 13	The current number of Virginia policyholders and either premiums in force, premiums earned, or premiums collected for such policyholders in the year immediately prior to the filing of the rate increase.
	14 VAC 5-130-70 14	Certification by a qualified actuary that, to the best of the actuary's knowledge and judgment, the rate filing is in compliance with applicable laws and regulations of this Commonwealth and the premiums are reasonable in relation to the benefits provided.
Medicare Supplement Requirements		Applicable requirements for accident and sickness forms in addition to the following.
Pre-Standardized Medicare Supplement Forms	14 VAC 5-170-120 A 3	For policies issued prior to July 30, 1992, expected claims in relation to premiums shall meet: a. The originally filed anticipated loss ratio when combined with the actual experience since inception; b. The appropriate loss ratio requirement from subdivisions 1 a and 1 b of this subsection when combined with actual experience beginning with July 1, 1991, to date; and c. The appropriate loss ratio requirement from subdivisions 1 a and 1 b of this subsection over the entire future period for which the rates are computed to provide coverage.
Standardized Medicare Supplement Forms	14 VAC 5-170-120 A 2	All filings of rates and rating schedules shall demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards.

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Change in the rating structure or methodology of a Medicare Supplement Form	14 VAC 5-170-130 D 3	<p>A change in the rating structure or methodology shall be considered a discontinuance under subdivision 1 of this subsection unless the issuer complies with the following requirements:</p> <p>a. The issuer provides an actuarial memorandum, in a form and manner prescribed by the State Corporation Commission, describing the manner in which the revised rating methodology and resultant rates differ from the existing rating methodology and existing rates.</p> <p>b. The issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change.</p>
Actuarial Certification for Medicare Supplement Rate Filings	Standardized	<p>An actuarial certification consistent with that in the NAIC's compliance manual for Medicare Supplement Insurance.</p> <p>The assumptions present the actuary's best judgement as to the expected value for each assumption and are consistent with the issuer's business plan at the time of the filing.</p> <p>The anticipated lifetime loss ratio, future loss ratios, and third-year loss ratio all exceed the applicable ratio. (The third-year loss ratio requirement is not applicable to prestandardized filings.)</p> <p>The filed rates maintain the proper relationship between policies which had different rating methodologies.</p> <p>The filing was prepared based on the current standards of practice as promulgated by the Actuarial Standards Board including the data quality standard of practice.</p> <p>This filing is in compliance with applicable laws and regulation in the state.</p> <p>The rates are reasonable in relationship to the benefits.</p>

Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at
<http://www.state.va.us/scc/division/boi/webpages/administrativeltrs.htm>

The Life and Health Division, Forms and Rates Section handles rate revisions. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.

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I hereby certify that I have reviewed the attached rate revision filing and determined that it is in compliance with the rate revision checklist.

Signed: _____

Name (please print): _____

Company Name: _____

Date: _____ Phone No: () _____ FAX No: () _____

E-Mail Address: _____